

STATEMENT OF PURPOSE

RS20294

This resolution directs the State Controller not to make the transfers from the General Fund to the Budget Stabilization Fund during FY 2012. The "trigger" for transferring General Funds to the Budget Stabilization Fund is when the current year's revenue (FY 2011) exceeds 4% growth over the previous year (FY 2010). The current year's revenue is estimated to grow at 4.2%, which would trigger the transfers, but the Governor's budget recommendation relies upon any ending balance in the General Fund to be appropriated for FY 2012, and not be transferred to the Budget Stabilization Fund.

This resolution is required to ensure that the transfers do not take place during the first two quarters of FY 2012 when the Legislature is not in session. The Legislature can revisit this issue next session and determine if the financial situation would permit transfers to the Budget Stabilization Fund during the second half of the fiscal year.

FISCAL NOTE

Based upon revenue growth of 4.2%, this resolution would prevent \$4,511,100 in General Funds from being transferred to the Budget Stabilization Fund during FY 2012.

Contact:

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